

MINUTES
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
LAS VIRGENES MUNICIPAL WATER DISTRICT

April 18, 2012

1 The Board of Directors of Las Virgenes Municipal Water District met in Special Meeting at 4232 Las Virgenes Road, in Calabasas, California, at 2:00 PM on Wednesday, April 18, 2012.

President Renger called the meeting to order at 2:01 PM.

The Pledge of Allegiance to the Flag was led by Director Renger.

Assistant Deputy Secretary Conklin called the roll. Those answering present were Directors Bowman, Caspary, Peterson, and Renger. The Chair declared a quorum present.

Absent: Director Steinhardt.

2 Financial Planning Workshop: General Manager Mundy stated Raftelis Financial Consultants would provide an overview of rates and had their rate model available to modify numbers with and without the backbone project.

Director Steinhardt arrived at 2:03 PM.

Financial Analyst Hamilton gave a presentation of, and discussed working capital comparison; potable water expense purchased water and potable water expenses other than purchased water; and potable water revenue and potable water sales in acre feet.

Sanjay Gaur and Steve Vuoso of Raftelis Financial Consultants gave a presentation entitled "Water and Wastewater Rate Study" and discussed the Background and Key Assumptions (potable water sales, O&M increases, rates implemented in January, financial plan will be examined for Fiscal Years 2013-2017, Debt Service Coverage Ratio); Financial Plan - Water (transfers to construction fund, sanitation and recycling fund balances, challenges with water fund); Financial Plan Sanitation (no rate increase in Fiscal Year 2012-13 and 2013-14, 2% annual increase) and rates and recommendations; bill impacts; and current rates and pass-through. Raftelis also provided several scenarios for the sanitation, recycled, potable water and reserves financial plans; and provided examples using their bill impact calculator.

The Board asked a numbers of questions throughout the presentation and requested staff to come back with additional information. Board comments included: discuss with legal counsel how to maintain 90% of the adopted potable rate in the Recycled-Financial Plan (Page 12); Pass-through via AB 3030; and the 218 process in regards to Sanitation rates (change minimum charge to 10 billing units (Page 24)). Mr. Gaur recommended asking "What are the goals and objectives?"

The meeting adjourned into break at 4:03 PM.

The meeting reconvened into Open Session at 4:11 PM.

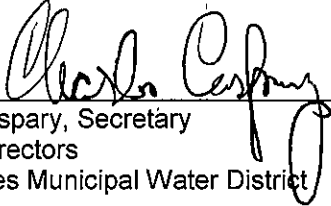
Discussions continued in regards to the backbone project being two-thirds of the \$29 million Capital Improvement Plan and Western versus Eastern system supply. The Board did not reach a consensus on rate increases as two members were in favor of setting 5-years of increases, two members were in favor of setting 3-years of increases and one member was in favor of additional cost cutting measures. Other Board comments included holding off on the backbone system 5-million gallon tank project until a Master Plan update could be performed (process would take approximately 1-year; and there are concerns related to the existing permits expiring if project is placed on hold).

3 Staff will need to come back with additional information related to Board comments. The Chair declared the Special Meeting - Financial Planning Workshop adjourned at 5:25 PM.



Lee Renger, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



Charles Caspary, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)